

DIRECTORATE OF INTELLIGENCE

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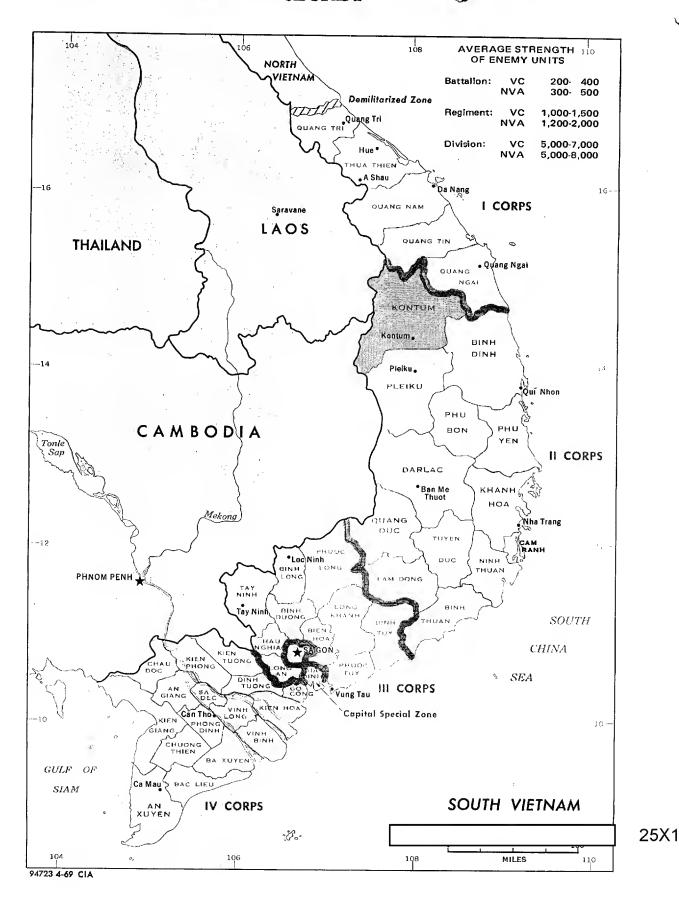
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South Vietnam: Few Communist-initiated actions occurred on 17-18 April.

The most significant was a ground assault against a village in Kontum Province. Scattered mortar attacks on allied military installations caused moderate damage and casualties to allied personnel.

Some signs of enemy attack preparations continue to appear, but the main trend of Communist military activity is toward a period of rest and refitting.

<u>Czechoslovakia</u>: Prague was outwardly tranquil yesterday.

Trade union leaders, however, felt compelled to warn the rank-and-file workers to refrain from demonstrating and to avoid attending protest meetings, which apparently are being held without fanfare. Dissidents, however, probably will be discouraged by the ubiquity of reinforced security patrols—which include elements of the armed forces—that moved into the city soon after the plenum decisions were announced.

Perhaps to take the sting out of Dubcek's demotion, the party has recommended that he assume the post of president of the National Assembly held by Slovak moderate Peter Colotka. More than likely this is another step on the road to political oblivion for Dubcek. Colotka, in turn, will be nominated for the job of federal first deputy premier. Both Dubcek and Colotka will remain members of the reconstituted party presidium.

Husak has taken a first step toward silencing the remaining dissident publications. He has assigned a pro-Soviet conservative as editor-in-chief of the main party daily, Rude Pravo, a move that virtually assures the conservatives control of the paper.

The Slovak party central committee met yesterday to discuss a successor to Husak as Slovak party boss. The most likely candidate appears to be Stefan Sadovsky, Slovak premier and Czechoslovak party presidium member. A young agricultural specialist, Sadovsky is thought to be a moderate on whom Husak can rely to control Slovakia. Despite his important positions, Sadovsky has never been a major public figure, although he seemed to command the respect of the liberals during Dubcek's year.

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A message from the Soviet Central Committee, signed by party chief Brezhnev, yesterday warmly congratulated Husak and expressed confidence in future party and state relations. Soviet President Podgorny was somewhat more restrained in a conversation with Ambassador Beam, but he said that the Czechoslovak plenum had correctly evaluated the situation and had taken steps which would be satisfactory "to the whole world."

Communist China: The ninth party congress has been meeting for nearly three weeks, but Peking has still released no substantive information on the deliberations.

An "interim" communiqué issued on 14 April reported that the first two items on the agenda, adoption of a new party constitution and endorsement of a "political report" by Mao's heir, Lin Piao, were approved unanimously. No speeches delivered at the congress were made public, however.

The communique stated that discussron of the third and final item on the agenda, the election of a new central committee, was to begin on 15 April. This is perhaps the most important and most controversial matter before the congress, and it is possible that the session is bogged down on the issue. There have been a number of signs that the congress was originally slated to wind up its work before the middle of the month.

There is now no indication when the congress will conclude. Some material, including the new constitution, a version of Lin's speech, and the central committee list, will almost certainly be made public once the session has adjourned.

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Western Europe: The Multi-Role Combat Air-craft (MRCA) program is moving along, but the four-nation consortium still faces some political problems.

The British, West German, Italian, and Dutch companies in the Panavia Corporation, which was recently formed to produce the MRCA, have agreed on a twin-engine, swing-wing fighter for use during the period 1975-1990. The Germans had been pressing for a single-engine plane; their agreement on the twin-engine version is evidence of their strong desire that the project succeed.

The consortium must now decide which of three proposed engines to use--Rolls Royce, General Electric, or Pratt and Whitney. The Germans prefer the Pratt and Whitney on grounds of economy and availability, but might agree to the Rolls Royce in order to keep Britain in the consortium and thus promote British association with the continent.

The French, meanwhile, want to upset the consortium's plans. They have offered to produce jointly with the Germans a version of their Mirage G swing-wing aircraft, and they are reportedly planning to offer the Mirage G/4 as a substitute for the entire MRCA project. Germany, however, has maintained a positive interest in the MRCA, and the British have stated flatly that any French proposal to them would get nowhere.

The West German Air Force has recently expressed an interest in a new US close-air-support aircraft, suggesting to some observers a plan to provide another option in case the MRCA project fails. If it is unsuccessful, the US plane, the Mirage, and an undeveloped aircraft of German design are the leading choices open to West Germany.

UK-Rhodesia: Prime Minister Wilson may forgo further initiatives to reach a settlement of the Rhodesian problem.

He told the House of Commons on 17 April that Britain had done its best and he did not think it would be blamed if there is no agreement. He said that Britain could not go on year after year putting forth proposals which Ian Smith flatly turns down. He also said, however, that Britain would consider any ideas from Smith which would effectively safeguard African rights in a future Rhodesian constitution.

Prime Minister Smith would still like to have a settlement, but on his own terms. He told an interviewer in South Africa recently that without such a settlement, Rhodesia had no choice but to become a republic. Referendums on both a republic and Smith's constitutional proposals will probably be held in May or June.

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NOTES

Peru: The government has imposed a fine on PERUTELCO, a subsidiary of International Telephone and Telegraph, for allegedly collecting improper charges. Some officials of PERUTELCO fear that the fine, which they claim is unwarranted, may be the first step in a campaign to undermine it like that previously conducted against the International Petroleum Company. PERUTELCO was not informed directly of the fine until after the story had appeared in the press.

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